

REQUEST FOR PROPOSALS
RFP

Issue Date: December 20, 2000

RFP #: 165-2001-230

Title: Virginia Enterprise Initiative Program Technical Assistance

Commodity Code: 910-60

Issuing Agency: Commonwealth of Virginia
Department of Housing and
Community Development
501 North 2nd Street
Richmond, Virginia 23219-1321

Using Agency and/Or Location
Where Work Will be Performed: Statewide

Period of Contract: Date of award through a one-year period with
three one-year renewal options.

Unsealed Proposals for Furnishing the
Services Described Herein Will be
Received Until: 5:00 PM, Friday, February 16, 2001

All Inquires for Information Should be
Directed To: Alvin D. Williams
Director of Administration
Telephone (804) 371-7020

SEND ALL PROPOSALS DIRECTLY TO ISSUING AGENCY SHOWN ABOVE. IF
PROPOSALS ARE HAND DELIVERED, DELIVER TO: DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT, 501 N. 2ND STREET, 4TH FLOOR, RICHMOND,
VIRGINIA 23219

In compliance with this Request for Proposals and to all conditions imposed herein, the
undersigned offers and agrees to furnish the services in accordance with the attached signed
proposal or as mutually agreed upon by subsequent negotiation.

Name and Address of Firm: _____ Date: _____

_____ By: _____
(Signature in Ink)

_____ Title: _____

_____ Zip Code: _____ Tel: (____) _____

FEI/FIN NO. _____ Fax: (____) _____

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REQUEST FOR PROPOSAL

VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT Office of Community Revitalization and Development

I. PURPOSE:

The Virginia Department of Housing and Community Development invites the submission of proposals to establish a term contract to design and deliver, in conjunction with the Office of Community Revitalization and Development, a mechanism to do an intensive assessment and provide, as needed, topics for technical assistance and training to assist in strengthening new and existing microenterprise programs within the Commonwealth of Virginia. This program is directed toward designated Virginia Enterprise Initiative sites and will consist of on-site assessments of each site's organizational, financial, and service delivery capacity (to include training, technical assistance, lending policies, and follow-up assistance) as it relates to microenterprise. From this assessment, recommendations will be provided on ways to strengthen each organization and its microenterprise performance.

II. BACKGROUND:

The Virginia Department of Housing and Community Development has been implementing the Virginia Enterprise Initiative Program, the state's microenterprise program, since 1995. Services as stated below will be delivered on the sixteen designated sites and may include other sites as determined by the Office of Community Revitalization and Development and will begin upon contract award.

III. STATEMENT OF NEEDS:

A. General

The Contractor shall provide analysis, recommendations and consulting services to the Department of Housing and Community Development which will assist the Department of Housing and Community Development in its efforts to strengthen the Virginia microenterprise program (hereafter referred to as the Virginia Enterprise Initiative Program (VEI)).

B. Specific Requirements

1. General Planning and Coordination Services

- a. The Contractor shall assign one professional staff member who will be responsible for the scheduling and delivery of all services to be provided under this contract.
- b. The Contractor shall assign one professional staff member to provide to the Virginia Enterprise Initiative Program Manager a profile of all existing Virginia Enterprise Initiative programs.

- c. The Contractor shall assign one professional staff member to provide to the Virginia Enterprise Initiative Program Manager a detailed report listing, in detail, site-specific recommendations that may strengthen each organization's ability to administer and implement a microenterprise program.
 - d. The Contractor shall assign one professional staff member to provide to the Virginia Enterprise Initiative Program Manager, a survey methodology that can be use to regularly monitor and evaluate the microenterprise programs to assess what's working and what needs improvement and to guide the continuous improvement of microenterprise through technical assistance and training.
 - e. The Contractor shall provide up to 25 hours of telephone consultation as requested by the Department and the executive directors of the local Virginia Enterprise Initiative sites. This service shall extend to any aspect of the Virginia Enterprise Initiative Program but will not include work that requires extensive data collection.
2. Direct Services to Designated Virginia Enterprise Initiative Sites:
- a. The Contractor shall assign one professional staff member to organize and conduct, in conjunction with the Virginia Enterprise Initiative Program Manager, a specialized, on-site assessment of all sixteen organizations. During this assessment, the contractor will assess the organization's organizational and financial capacity and how the organization is providing training, technical assistance, and follow-up assistance to clients and the organization's lending policies and procedures. Written follow-up reports on each organization indicating strengthens and weaknesses will be provided to the Virginia Enterprise Initiative Program Manager.
 - b. The Contractor shall assign one professional staff member to organize and conduct, in conjunction with the Virginia Enterprise Initiative Program Manager, one-day, **year-end assessments** to all sixteen sites. Written follow-up reports on each site indicating progress over the one-year period will be provided to the Virginia Enterprise Initiative Program Manager.
 - c. The Contractor shall assign one professional staff member to organize and conduct, in conjunction with the Virginia Enterprise Initiative Program Manager, assessments to not more than 10 new microenterprise programs within the State. Written follow-up reports on each organization indicating strengthens and weaknesses will be provided to the Virginia Enterprise Initiative Program Manager.

IV. DELIVERY REQUIREMENTS AND SCHEDULE:

- 1. The Contractor shall work under the general supervision of the Virginia Enterprise Initiative Program Manager in the Office of Community

Revitalization and Development, Department of Housing and Community Development.

2. The Contractor shall secure written permission of the Virginia Enterprise Initiative Program Manager prior to taking on any projects in Virginia related to microenterprise development, but outside the scope of activities of the Virginia Enterprise Initiative Program.
3. Specific projects within the contract period shall be completed on schedules approved by the Virginia Enterprise Initiative Program Manager.
4. The Contractor shall work, through its designated professional staff member, to formulate with the Virginia Enterprise Initiative Program Manager an agreed-upon calendar of dates to deliver the services specified above.

V. CONTRACTOR QUALIFICATIONS

Minimal contractor qualifications required for implementation of contract activities include:

- Detailed knowledge of, and experience in, microenterprise development;
- Extensive experience in working with non-profit organizations;
- Extensive experience in training boards, volunteers, and professional staff on microenterprise development and organizational development;
- Extensive experience in assessing organizational and program capacity in the microenterprise field; and
- Extensive experience in providing technical assistance to a range of clients on a diverse range of microenterprise development problems, issues, and needs.

VI. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS:

A. General Requirements:

1. RFP Response: In order to be considered for selection, Offerors must submit a completed response to this RFP. One original and five copies of each proposal must be submitted to the Virginia Department of Housing and Community Development. No other distribution of the proposal shall be made of the Offeror.
2. Proposal Preparation:
 - a. Proposals shall be signed by an authorized representative of the Offeror. All information requested must be submitted. Failure to submit all information requested may result in the purchasing agency requiring prompt submission of missing information and/or giving a lowered

evaluation of the proposal. Proposals which are substantially incomplete or lack key information may be rejected by the purchasing agency. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.

- b. Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.
 - c. Proposals should be organized in the order in which the requirements are presented in the RFP. All pages of the proposal should be numbered. Each paragraph in the proposal should reference the paragraph number of the corresponding section of the RFP. It is also helpful to cite the paragraph number, subletter, and repeat the text of the requirement as it appears in the RFP. If a response covers more than one page, the paragraph number and subletter should be repeated at the top of the next page. The proposal should contain a table of contents which cross references the RFP requirements. Information which the Offeror desires to present that does not fall within any of the requirements of the RFP should be inserted at an appropriate place or attached at the end of the proposal and designated as additional material. Proposals that are not organized in this manner risk elimination from consideration.
 - d. Each copy of the proposal should be bound or contained in a single volume where practical. All documentation submitted with the proposal should be contained in that single volume. Proposals should be contained in that single volume.
 - e. Ownership of all data, materials and documentation originated and prepared for the state, pursuant to the RFP shall belong exclusively to the State and be subject to inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act, however, the Offeror must invoke the protection of Section 11-52 of the Virginia Public Procurement Act prior to or upon submission of the data or other materials, and must identify the data or materials to be protected and state the reasons why protection is necessary.
3. Oral Presentation: Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposals to the State Agency. This provides an opportunity for the Offeror to clarify or elaborate on the proposal. This is a fact finding and explanation session only and does not include negotiation. The Issuing State Agency will schedule the time and location of these presentations. Oral presentations are an option of the purchasing agency and may or may not be conducted.

B. Specific Proposal Requirements:

1. Proposals should be as thorough and detailed as possible so that the Department of Housing and Community Development may properly evaluate the capabilities of the organization to provide the required goods/services. Offerors are required to submit the following items as a completed proposal:
 - a. The return of this complete RFP, signed and filled out as required.
 - b. Complete Data Sheet
 - c. Written narrative statement to include:
 - (1) Experience in providing the goods/services described herein
 - (2) Names, qualifications and experience of personnel to be assigned to the project
 - (3) Resumes of staff to be assigned to the project
 - d. Specific plans for providing the proposed services including:
 - (1) What, when, and how the services will be performed
 - (2) Timeframe for completion
 - e. Proposed price for services to be provided.

VII. EVALUATION CRITERIA AND AWARD CRITERIA**A. Proposals will be evaluated by the Department of Housing and Community Development using the following criteria:**

SERVICE	POINTS
1. Understanding and experience in microenterprise development	45
2. Qualification and experience of the Offeror in providing technical assistance to and assessments of microenterprise programs	35
3. Price	15
4. Favorable references from other clients	5
TOTAL	100

B. Award of Contract

1. Award: In the absence of a single Offeror excelling in qualifications and price, selection shall be made of two or more Offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request for Proposals, including price, if so state in the Request for Proposals. Negotiations shall be conducted with the Offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each Offeror so selected, the agency shall select the Offeror which, in its opinion, has made the best proposal, and shall award the contract to that Offeror. The Commonwealth may cancel this Request for Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reason why a particular proposal was not deemed to be the most advantageous (Section 11-65-D, Code of Virginia.) Should the Commonwealth determine in writing and in its sole discretion that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Offeror. The award document will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the Contractor(s)' proposal as negotiated.

VIII. GENERAL TERMS AND CONDITIONS

- A. **Vendors Manual:** This solicitation is subject to the provisions of the Commonwealth of Virginia *Vendors Manual* and any revisions thereto, which are hereby incorporated into this contract in their entirety. A copy of the manual is normally available for review at the purchasing office and in addition a copy can be obtained by calling the Division of Purchases and Supply (804) 786-3842.
- B. **Applicable Laws And Courts:** This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The contractor shall comply with all applicable federal, state and local laws, rules and regulations.
- C. **Anti-Discrimination:** By submitting their proposals, Offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and Section 11-51 of the *Virginia Public Procurement Act*.

In every contract over \$10,000 the provisions in 1. and 2. below apply:

1. During the performance of this contract, the contractor agrees as follows:

- a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, or disabilities, except where religion, sex or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
 - c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.
 2. The contractor will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.
- D. **Ethics In Public Contracting:** By submitting their proposals, Offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.
- E. **Immigration Reform And Control Act Of 1986:** By submitting their proposals, Offerors certify that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.
- F. **Debarment Status:** By submitting their proposals, Offerors certify that they are not currently debarred by the Commonwealth of Virginia from submitting bids or proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.
- G. **Antitrust:** By entering into a contract, the contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.
- H. **Mandatory Use Of State Form And Terms And Conditions For IFBs And RFPs:** Failure to submit a proposal on the official state form provided for that

purpose may be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.

I. **Clarification Of Terms:** If any prospective Offeror has questions about the specifications or other solicitation documents, the prospective Offeror should contact the buyer whose name appears on the face of the solicitation no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the buyer.

J. **Payment:**

1. To Prime Contractor:

- a. Invoices for items ordered, delivered and accepted shall be submitted by the contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
- b. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- c. All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the contractor at the contract price, regardless of which public agency is being billed.
- d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
- e. **Unreasonable Charges.** Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify the contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A contractor may not institute legal action unless a settlement cannot

be reached within thirty (30) days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (*Code of Virginia*, Section 11-69).

2. To Subcontractors:

- a. A contractor awarded a contract under this solicitation is hereby obligated:

(1) To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or

(2) To notify the agency and the subcontractor(s), in writing, of the contractor's intention to withhold payment and the reason.

- b. The contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.

K. **Precedence Of Terms:** Paragraphs A-J of these General Terms and Conditions shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

L. **Qualifications Of Offerors:** The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the Offeror to perform the services/furnish the goods and the Offeror shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect Offeror's physical facilities prior to award to satisfy questions regarding the Offeror's capabilities. The Commonwealth further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Offeror fails to satisfy the Commonwealth that such Offeror is properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.

M. **Testing And Inspection:** The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.

- N. **Assignment Of Contract:** A contract shall not be assignable by the contractor in whole or in part without the written consent of the Commonwealth.
- O. **Changes To The Contract:** Changes can be made to the contract in any of the following ways:
1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.
 2. The Purchasing Agency may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The contractor shall comply with the notice upon receipt. The contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Purchasing Agency a credit for any savings. Said compensation shall be determined by one of the following methods:
 - a. By mutual agreement between the parties in writing; or
 - b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the contractor accounts for the number of units of work performed, subject to the Purchasing Agency's right to audit the contractor's records and/or to determine the correct number of units independently; or
 - c. By ordering the contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The contractor shall present the Purchasing Agency with all vouchers and records of expenses incurred and savings realized. The Purchasing Agency shall have the right to audit the records of the contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Purchasing Agency within thirty (30) days from the date of receipt of the written order from the Purchasing Agency. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia *Vendors Manual*. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the contractor from promptly complying with

the changes ordered by the Purchasing Agency or with the performance of the contract generally.

P. **Default:** In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Commonwealth may have.

Q. **Insurance:** By signing and submitting a proposal under this solicitation, the Offeror certifies that if awarded the contract, it will have the following insurance coverages at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with Sections 11-46.3 and 65.2-800 et seq. of the *Code of Virginia*.

The Offeror further certifies that the contractor and any subcontractors will maintain these insurance coverages during the entire term of the contract and that all insurance coverages will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

R. **Insurance Coverages And Limits Required:**

1. Worker's Compensation - Statutory requirements and benefits; require that the Commonwealth of Virginia be added as an additional named insured on contractor's policy.
2. Employers Liability - \$100,000.
3. Commercial General Liability - \$500,000 combined single limit. The Commonwealth of Virginia is to be named as an additional named insured with respect to the services being procured. These coverages are to include Products and Completed Operations Coverage and Garagekeeper's Legal Liability - \$500,000. These are needed for parking facilities and garages for motor vehicle maintenance contracts.
4. Automobile Liability - \$500,000 - Combined single limit. (Only used if motor vehicle is to be used in the contract.)

NOTE: In addition, various Professional Liability/Errors and Omissions coverages are required when soliciting those services as follows:

<u>Profession/Service</u>	<u>Limits</u>
Accounting	\$1,000,000 per occurrence, \$3,000,000 aggregate
Architecture	\$2,000,000 per occurrence, \$6,000,000 aggregate

Asbestos Design, Inspection and Abatement Contractors	\$1,000,000 per occurrence, \$3,000,000 aggregate
Health Care Practitioner (to include Dentists, Optometrists, Nurses, Pharmacists, Doctors, etc.)	\$1,000,000 per occurrence, \$3,000,000 aggregate
Insurance/Risk Management	\$1,000,000 per occurrence,
Landscape/Architecture	\$ 500,000 per occurrence,
Legal	\$1,000,000 per occurrence,
Professional Engineer	\$2,000,000 per occurrence,
Surveying	\$ 100,000 per occurrence, \$ 300,000 aggregate

(NOT NORMALLY REQUIRED FOR GOODS CONTRACTS. INSURANCE IS REQUIRED WHEN WORK IS TO BE PERFORMED ON STATE OWNED OR LEASED FACILITIES OR PROPERTY.)

- S. Announcement Of Award:** Upon the award or the announcement of the decision to award a contract as a result of this solicitation, the purchasing agency will publicly post such notice on the Virginia Department of Housing and Community Development's home page for a minimum of 10 days.
- T. Drug-Free Workplace:** During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section "*drug-free workplace*" means a site for the performance of work done in connection with a specific contract awarded to a contractor in accordance with this chapter, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

IX. SPECIAL TERMS AND CONDITIONS

- A. Renewal of Contract:** This contract may be renewed by the Commonwealth for three successive one-year periods under the terms of the current contract. Price increases may be negotiated only at the time of renewal. Written notice of the Commonwealth's intention to renew shall be given approximately 90 days prior to the expiration date of each contract period.
- B. Cancellation of Contract:** The purchasing agency reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 60 days written notice to the Contractor. In the event the initial contract period is for more than 12 months, the resulting contract may be terminated by either party, without penalty, after the initial 12 months of the contract period upon 60 days written notice to the other party. Any contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.
- C. Indemnification:** Contractor agrees to indemnify, defend and hold harmless the Commonwealth of Virginia, its officers, agents, and employees from any claims, damages and actions of any kind or nature, whether at law or in equity, arising from or caused by the use of any services of any kind or nature furnished by the contractor, provided that such liability is not attributable to the sole negligence of the using agency or at failure of the using agency to use the services in the manner already and permanently described by the contractor on the services delivered.
- D. Audit:** The Contractor shall retain all books, records, and other documents relative to this contract for five years after final payment, or until audited by the Commonwealth of Virginia, whichever comes sooner. The agency, its authorized agents, and/ or state auditors shall have full access to and the right to examine any of said materials during said period.
- E. Availability of Funds:** It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

X. ATTACHMENTS:

- A. Data Sheet**
- B. Virginia Enterprise Initiative Program Design**

ATTACHMENT A

DATA SHEET

To Be Completed by Offeror

- 1. **QUALIFICATION OF OFFEROR:** The Offeror must have the capability and capacity in all respects to fully satisfy all of the contractual requirements.
- 2. **YEARS IN BUSINESS:** Indicate the length of time you have been in business providing this type of service: _____years _____months.
- 3. **REFERENCES:** Indicate below a listing of at least four (4) current accounts, either commercial or governmental, that your agency is servicing. Include the length of service and the name and address of the person the purchasing agency has your permission to contract.

CLIENT	LENGTH OF SERVICE	CLIENT ADDRESS	CONTRACT PERSON	CONTACT PHONE

- 4. List full names and address(es) of Offeror and any branch offices which may be responsible for administering this contract.

Attachment B

THE VIRGINIA ENTERPRISE INITIATIVE

Program Design

**Virginia Department of Housing and Community Development
Office of Community Revitalization and Development
501 North Second Street
Richmond, Virginia 23219
(804) 371-7030
(804) 371-7093 (fax)**

VIRGINIA ENTERPRISE INITIATIVE OVERVIEW AND PROGRAM DESIGN

DESCRIPTION

The Virginia Enterprise Initiative (VEI), administrated by the Virginia Department of Housing and Community Development, was created in 1995 to advance opportunities for self-employed entrepreneurs or “microenterprises” who lack access to business training and capital. The VEI program promotes microenterprise development by providing support to organizations statewide that will deliver microenterprise services. VEI provides seed grants and technical assistance to organizations that establish partnerships with banks, area businesses, educational institutions, or other private and public concerns in the community.

As part of its program design, each VEI funded site must be committed to offering four basic components to its clients, business skills training, technical assistance, microloans, and follow-up assistance. In business skills training, entrepreneurs receive information from experienced instructors on basic business principles. Entrepreneurs are provided with a foundation of skills needed to operate a business. The topics of the training course include bookkeeping, marketing, financing, insurance, and personnel management. Once instruction is completed, participants need one-on-one technical assistance to evaluate their business concept and plan. This is done through intensive counseling from the microenterprise program during the entrepreneur’s business planning process. If the concept proves to be feasible, the entrepreneur will be assisted in preparing documents to package a loan proposal. VEI microloans must be at least \$500 but cannot exceed \$25,000. Finally, any entrepreneur receiving a microloan must have access to follow-up assistance. There are many challenges that face microbusinesses, especially those just starting. Therefore, VEI sites must continue providing assistance to its participants once they are in business. Follow-up assistance must be conducted on a regular basis and be responsive to the immediate needs of the entrepreneur.

PROGRAM OVERVIEW

The Virginia Department of Housing and Community Development will select sites through a competitive application round. Through the selection process, the participating organizations, whether new or existing, will demonstrate community need, organizational capacity to implement the VEI program, and positive impact.

The Virginia Department of Housing and Community Development will support the selected sites by providing ongoing funding for training, technical assistance, and peer exchanges and public education efforts.

FUNDING

The Virginia General Assembly has appropriated \$1.2 million for fiscal year 2000 to provide grants to sites interested in microenterprise development. Through a competitive application process, fourteen to seventeen sites will be selected. Grant amounts will range from \$50,000 to \$80,000 based on the site's service area and client base. Funding will be for a two-year period contingent upon continued funding and satisfactory performance.

PROGRAM DESIGN

The VEI program will be administered through microenterprise programs that will work with disadvantaged entrepreneurs toward starting or expanding their own business. The selected sites will implement the VEI program so that it coordinates with other programs provided by the site and/ or community partners that encourage microenterprise development.

Approved VEI sites must offer or broker the following services.

- **Business Skills Training** - Basic business principles are covered by qualified instructors with expertise in small business development, usually in a classroom setting. Entrepreneurs are provided with a foundation for the skills needed to operate a business. The range of topics should include bookkeeping, marketing, financing, insurance, and personnel management.
- **Technical Assistance** - Once instruction is complete, participants will need to evaluate their business concept. This is done with counseling from the microenterprise program which guides the entrepreneur through the business planning process. If the concept proves to be feasible, the entrepreneur will be assisted in preparing documents to package a loan proposal.
- **Microloans** - Loans are provided to participants in a microenterprise program to finance their business. The maximum loan amount is \$25,000 and the minimum amount is \$500. Loan approval and repayment terms are decided by a loan review committee that can include program staff, bank partners, and interested citizens from the community. All individuals requesting loans must demonstrate that they have been denied access to capital (a loan) at a traditional financial institution.
- **Follow-Up Assistance** - There are many challenges that face microbusinesses, especially those just starting. Therefore, microenterprise programs must continue providing assistance to its participants once they are in business. Follow-up assistance must be conducted on a regular basis and be responsive to the immediate needs of the entrepreneur.

BUDGET REQUIREMENTS

Microenterprise services may be delivered in a variety of ways to ensure maximum access by a community. While an organization may provide clients with an array of other assistance, the use of VEI funds is limited to operating, managing, and delivering a microenterprise program. Services such as transportation, day care, or English language skills may also be funded through VEI if they are clearly designed to increase access to a microenterprise program. Creative and entrepreneurial approaches are often required to effectively serve targeted customers. Applicants may propose budgeting VEI funds in a variety of ways but will be required to justify the need for VEI assistance and how it is integral to the achievement of both community and program objectives.

The effectiveness of VEI depends on its ability to leverage other public and private resources. A particular emphasis of VEI is placed on funding sustainable training services. The experience of microenterprise practitioners has been that funding sources for training have been limited. In addition, VEI encourages that practitioners build relationships with banks and other providers of loan capital to capitalize loan pools. To be effective at leveraging resources from diverse sources, VEI must be flexible and have the ability to fill funding gaps and to fund services for which no other investor can be identified.

LEVERAGING REQUIREMENTS

Applicants must leverage resources by matching VEI grants. Proposals must indicate the source matching funds and provide documentation of commitment from funding sources. Funds committed for existing microenterprise services will be considered eligible as a VEI match only if VEI money is used to expand the scope of those services. The amount of match depends on the proposed use of VEI grant funds. Applicants proposing to use VEI assistance to directly or indirectly capitalize a revolving loan fund or provide a credit enhancement for microenterprise loans will be required to demonstrate a three-to-one non-VEI to VEI matching ration. As an example, a proposed use of \$25,000 of VEI grant funds as a loan loss reserve account would require at least \$75,000 be committed for the loan pool from other sources.

The matching ratio required for VEI grant funds used for training, technical assistance, administration, and other program expenses beyond the actual loan pool will be one-to-four non-VEI to VEI funds. As an example, a proposed use of \$45,000 of VEI grant funds for technical assistance and administration would require that at least a \$11,250 cash or **in-kind** match be committed from other sources for non-loan pool items.

The structure of the match requirements is intended to reflect the limited resources available to support the basic operation of a microenterprise loan program. Also reflected is a belief that private sector capital is available for loan pool capitalization provided credit enhancements can be provided in the form of loan loss reserve accounts, loan guarantees, and by increasing the capacity of organizations to deliver microenterprise support services. These match requirements represent threshold criteria and respondents are encouraged to explore opportunities to increase their leverage of VEI grants.

CRITERIA FOR PARTICIPATION

- **Eligibility to Apply** - The Virginia Enterprise Initiative focuses primarily on community-based nonprofits for the delivery of microenterprise services through partnerships with banks and other private or public resources. While eligibility is not restricted to community-based nonprofits, other respondents such as general nonprofits, local governments, planning district commissions and economic development organizations must demonstrate their ability to take a community-based approach to microenterprise. Community-based approaches involve participation from a broad base of citizens in a community to achieve a common goal .

VEI respondents will be required to demonstrate that they have or will have the capacity to implement a microenterprise program to be eligible to apply.

- **Staffing** - Applicants must have adequate staff resources available to operate the microenterprise program. This includes at least one full-time staff person dedicated to microenterprise development.
- **Leveraging** - Applicants must describe how resources will be leveraged by matching Virginia Enterprise Initiative grants. Internal and external sources of matching funds must be identified in the program proposal application. Commitment letters that detail the amount and conditions for participation must be given for sources as proof of matching VEI grant monies.

The amount of the match depends on the proposed use of VEI grant funds. Respondents proposing to use VEI assistance to directly or indirectly capitalize a revolving loan fund or provide a credit enhancement for microenterprise loans will be required to demonstrate a three-to-one non-VEI to VEI matching ratio. The ratio required for VEI grant funds used for training, technical assistance, administration and other program expenses beyond the actual loan pool will be one-to-four non-VEI to VEI funds.

- **Relationship to Existing Funding** - Each responding organization will be required to certify that VEI funding will be used to create a new program or to continue or expand an existing program. Under no circumstances can VEI funding be used to replace previously committed funding for microenterprise support.
- **Program Design** - Each applicant will be required to submit a program design for their microenterprise services. At a minimum, the program design must include: a description of the organization, a detailed description of proposed microenterprise services, an identification of partners and the roles each will play, a detailed description of how the program will operate, information on funding sources, uses of funds including a detailed budget, the geographic

area served, description of target market with a customer profile, planned marketing and outreach efforts, a schedule and plan for sustainability, target goals and measures of impact, and a system to encourage accountability.

- **Marketing Plan** - In addition to offering these four components to its participants, the selected site must also have a written marketing plan demonstrating how it will market its program to interested individuals. This plan should include all efforts that will be made by the selected site but also all partners and community groups the organization will work with to advertise its services.

PROJECT SELECTION

- **Community Assessment** - The Virginia Enterprise Initiative is a community-based economic development effort focused on individuals who lack access to business capital and training. Emphasis will be placed on the level of community involvement in designing a microenterprise program. Organizations must identify the needs of potential and existing entrepreneurs, determine the strengths and weaknesses of available resources for self-employment development, and provide details of how microenterprise services will be made accessible.

In addition, organizations must identify other microenterprise services available in the community, if any exist. In cases where there is more than one microenterprise program, respondents will need to justify that their organization will be the best provider of services for that community.

- **Microenterprise Services** - A detailed description of services offered and how they will be delivered must be included in the proposal application. The program design must detail the system of serving entrepreneurs in a comprehensive manner and how the components for training, technical assistance for starting and operating a business, and lending will be integrated.
- **Program Impact** - After an assessment is complete and the scope of a program's services is determined, a system to measure success must be provided. Measures can be both qualitative and quantitative, but must directly relate to how the program impacts the identified needs of individuals and the community as a whole.
- **Management** - The program's existing or proposed management system needs to be described to evaluate the capacity of the organization. While services can be provided internal or external to the organization, the proposal application must provide a critical analysis of how the delivery of effective services will be managed.

- **Partners** - Partnerships are a foundation of the Virginia Enterprise Initiative; therefore, the process used in developing the organization's team must be included. The organization must describe the potential partners identified, the criteria for choosing partners, and the extent of each partner's involvement. It is important for partners to have long range commitments to ensure sustainability of loan funds, training and administration. In addition, an evaluation of each partner must be included to highlight abilities and limitations and how limitations will be overcome.

Sources and Uses of Funding - The need for VEI funding must be justified for its use to create, continue or expand a microenterprise program. The funding cannot be used to replace other dedicated funds for a microenterprise program. Organizations must detail how VEI monies will be used, the sources for matching VEI grant money, and the leverage produced from the matches.